

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----036158 200513Z /15
R 172130Z MAY 78
FM AMEMBASSY MANAGUA
TO USDOC WASHDC
INFO SECSTATE WASHDC 6613

UNCLAS MANAGUA 2283

E.O. 11652: N/A
TAGS: BBSR, PINR, NU
SUBJECT: WTDR/FTI NICARAGUA SUGAR ESTATES LIMITED

REF: USDOC 05973

1. NICARAGUA
OFFICE USE: 2. 219 3. 0013800 4. 01
5. NICARAGUA SUGAR ESTATES LIMITED
6. APARTADO POSTAL 1494
7. MANAGUA
8. CONTACT: MR. F. ALFREDO PELLAS
9. TITLE: PRESIDENT
OTHER OFFICIALS ARE: MR. ALFREDO CESAR A., GENERAL
ADMINISTRATOR, AND MR. LUIS MEDAL C., CHIEF PURCHASING
OFFICER.
10. PHONE: 0348/222 11. TELEX: 0656
12. CABLE: ISANTONIO
13. ESTABLISHED: 1888 14. EMPLOYEES: 5,500
15. SIZE: VERY LARGE 16. REPUTATION: Y-EXCELLENT
17. REPORT DATE: 05/78
OFFICE USE: 18. K 19. NA 20. X 21. NA 22. NA
23A. 01330/9 SUGAR CANE FARMS.
23B. 20610/0 MANUFACTURER OF CANE SUGAR AND BY-
PRODUCTS.
23C. 20850/0 MANUFACTURER OF RUM
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23D. 35513/5 IMPORTER OF SUGAR PLANT MACHINERY
23E. 28732/5 IMPORTER OF UREA
23F. 32740/5 IMPORTER OF LIME
23G. 35231/5 IMPORTER OF TRACTORS
23H. 30113/5 IMPORTER OF TRACTOR AND IMPLEMENT TIRES.
24. FOREIGN SALES: EXPORTS TO THE UNITED STATES AND TO
THE REST OF THE WORLD MARKER: NO PERCENTAGE AVAILABLE.

25. FINANCIAL REFERENCES: WELLS FARGO BANK, SAN FRANCISCO, CALIFORNIA; BANKERS TRUST CO., NEW YORK CITY, NEW YORK; BANK OF AMERICA N.T. & S.A., SAN FRANCISCO, CALIFORNIA; MANUFACTURERS HANOVER TRUST CO., NEW YORK, NEW YORK; THE CHEMICAL BANK, NEW YORK, NEW YORK; THE BANK OF CALIFORNIA NA., SAN FRANCISCO, CALIFORNIA; EXIMBANK, THE INTERNATIONAL FINANCE CORPORATION, AND THE INTERAMERICAN DEVELOPMENT BANK, IN WASHINGTON, D.C., BANCO DE AMERICA, APARTADO POSTAL 285, IN MANAGUA.

26. TRADE REFERENCES: FULTON IRON WORKS, 3844 WALSH ST., ST. LOUIS, MISSOURI; CATERPILLAR TRACTOR CO, PEORIA, ILLINOIS; JOHN DEERE & COMPANY, MOLINE, ILLINOIS; GILLESPIE & CO., 2 BROADWAY, NEW YORK, NEW YORK; S.F. PELLAS & CO., SAN FRANCISCO, CALIFORNIA.

27. FOREIGN FIRMS REPRESENTED: NONE

28. POST EVALUATION: NICARAGUA SUGAR ESTATES LIMITED IS THE LARGEST AND ONE OF THE MOST SUCCESSFUL SUGAR CANE GROWING, MILLING AND REFINING ENTERPRISES IN CENTRAL AMERICA. THE FIRM PLANTS APPROXIMATELY 39,000 ACRES, NEARLY ALL UNDER IRRIGATION, NAR AND AROUND THE TOWN OF CHICHIGALPA LOCATED 80 MILES NORTH OF MANAGUA. THE FIRM'S VAST AND HIGHLY MECHANIZED ESTATE EMPLOYS APPROXIMATELY 3,600 WORKERS PERMANENTLY, AND UP TO 6,000 WORKERS DURING THE SEVEN-MONTH HARVESTING SEASON. IT HAS AN INTERNAL RAILROAD

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SYSTEM WITH SIXTY KILOMETERS OF TRACK AND MORE THAN SIXTY IRRIGATION WELLS. THE FIRM ALSO OWNS AN ADDITIONAL 27,000 ACRES LOCATED ON THE OPPOSITE SIDE OF LAKE MANAGUA WHERE IT IS PRESENTLY CULTIVATING 6 PERCENT OF THIS LAND. THE FIRM'S LAND HOLDINGS AND ASSORTED MACHINERY AS WELL AS THE MILL AND ITS REFINERY REPRESENT A TOTAL INVESTMENT OF APPROXIMATELY US\$300 MILLION. IT REPORTS WORKING CAPITAL OF US\$2.5 MILLION, A NET WORTH OF US\$34.2 MILLION, AND AN ANNUAL VOLUME OF BUSINESS OF US\$42.8 MILLION. THE FIRM REPORTS AN ANNUAL PRODUCTION OF 150,000 METRIC TONS OF SUAR OF WHICH FIFTY PERCENT IS SOLD. IN THE NICARAGUAN MARKET AT ABOVE WORLD-MARKET PRICES; TWENTY-FIVE PERCENT TO A LARGE U.S. BOTTLING COMPANY UNDER A CONTRACT NEGOTIATED WHEN SUGAR PRICES WERE AT THEIR HIGHEST; AND TWENTY-FIVE PERCENT ON THE WORLD MARKET. (THE OPERATION ALSO PRODUCES 70,000 TONS OF MOLASSES.) IN ADDITION TO ITS SUGAR CANE PLANTING AND SUGAR REFINING OPERATIONS, THE FIRM HAS A US\$10 MILLION RUM DISTILLING AND BOTTLING ENTERPRISE UNDER THE NAME COMPANIA LICORERA DE NICARAGUA S.A. AND CONTROLS LARGE LIVESTOCK OPERATIONS.

THE STOCK IN NICARAGUA SUGAR ESTAES LTD. IS CONTROL-
LED BY WHAT IS GENERALLY REGARDED TO BE THE SECOND-
WEALTHIEST FAMILY GROUP IN NICARAGUA, THE PELLAS FAMILY,
SOME OF WHOSE MEMBERS ARE AMERICAN CITIZENS RESIDENIGN
IN THE UNITED STATES. THE PELLAS GROUP OWNS ONE OF
THE LARGEST AUTOMOBILE DISTRIBUING FIRMS IN THE
COUNTRY, F. ALFREDO PELLAS & CO., HAS A CONTROLLING
INTEREST IN BANCO DE AMERICA, THE LARGEST PRIVATE
COMMERCIAL BANK IN NICARAGUA: AND HAS EXTENSIVE
HOLDINGS IN A NUMBER OF FINANCING, INVESTMENT AND
DEVELOPING COMPANIES. THE PRESIDENT OF NICARAGUA
SUGAR ESTATES IS ALSO PRESIDENT OF BANCO DE
AMERICA. SUBJECT FIRM ENJOYS AN EXCELLENT REPUTATION
IN LOCAL BANKING AND TRADE CIRCLES AND IS RECOMMENDED
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AS FAVORABLE TRADE CONTACT FOR INTERESTED U.S.
CONCERNS.
29. PREPARED BY: RJMONTES APPROVED BY:PAHAIGH
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 17 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAGU02283
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780212-0640
Format: TEL
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780550/aaaabqat.tel
Line Count: 140
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4100b49b-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2667903
Secure: OPEN
Status: NATIVE
Subject: WTD/FTI NICARAGUA SUGAR ESTATES LIMITED
TAGS: BBSR, PINR, NU
To: COM
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/4100b49b-c288-dd11-92da-001cc4696bcc
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Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
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